

CHAPTER 35 GROSS RECEIPTS TAX

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3500 GENERAL PROVISIONS

- 3500.1 The provisions of this chapter shall govern the filing of affidavits for and the payment of the payment of the gross receipts tax by the following:
- (a) Each gas, electric lighting, and telephone company that sells public utility services or commodities within the District of Columbia; and
 - (b) Each telecommunication company.
- 3500.2 The tax on gas, electric lighting, and telephone companies shall be at the rate of six and seven-tenths percent (6.7%) of the gross receipts from the sale of public utility services and commodities within the District of Columbia.
- 3500.3 The tax on telecommunication companies, other than those companies subject to §3500.2 of this chapter, shall be at the rate of six and seven-tenths percent (6.7%) of the gross receipts from the sale of toll telecommunication services that originate from or terminate on telecommunication equipment located in the District and for which a toll charge or periodic charge is billed to an apparatus, telephone, or account in the District, without regard to where the bill for service is physically received.
- 3500.4 For the purpose of this section, the term "toll communication service" shall not include data transmission or reception except when the gross receipts from data transmission or reception are not separated from gross receipts subject to the tax under the act.
- 3500.5 Except as provided in §§3501.3 and 3502.2 of this chapter, the gross receipts tax shall be due by the twentieth (20th) day of the month following the calendar month for which the payment is due.
- 3500.6 Except as provided in §§3501.2 and 3502.1 of this chapter, the affidavit shall be filed at the time payment of the tax is made.

AUTHORITY: Unless otherwise noted, the authority for this chapter is §§6(5)(E) and 6(10)B of an Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, as amended, D.C. Code §§47-1508, 47-2501 (1981 Ed.).

SOURCE: Final Rulemaking published at 34 DCR 6143, 6149 (September 25, 1987).

3501 GROSS RECEIPTS TAX ON TELECOMMUNICATION COMPANIES: JULY 1, 1986 - JUNE 30, 1987

3501.1 A gross receipts tax shall be imposed on telecommunication companies beginning July 1, 1986.

3501.2 For the period beginning July 1, 1986, and ending June 30, 1987, the twelve (12) monthly affidavits shall be combined on one affidavit which is due on October 30, 1987.

3501.3 The tax for the period beginning July 1, 1986, and ending June 30, 1987, shall be paid in two (2) equal installments before November 1, 1987, and before January 1, 1988.

3501.4 The Mayor may, upon written application made before the date prescribed for payment of the tax, grant a reasonable extension of time for paying the tax under §§3501.3 and 3502.2 of this chapter whenever good cause exists for the extension.

3501.5 Each telecommunication company shall be allowed a credit against the gross receipts tax imposed for the amount of personal property tax paid on the tax year 1987 return due by July 31, 1986 (for the period beginning July 1, 1986 and ending July 30, 1987).

SOURCE: Final Rulemaking published at 34 DCR 6143, 6150 (September 25, 1987).

3502 GROSS RECEIPTS TAX ON TELECOMMUNICATION COMPANIES: JULY 1, 1987 - AUGUST 31, 1987

3502.1 For the period beginning July 1, 1987, and ending August 31, 1987, the two (2) monthly affidavits shall be combined on one (1) affidavit due October 30, 1987.

3502.2 The tax for the period beginning July 1, 1987, and ending August 31, 1987, shall be paid in two (2) equal installments before November 1, 1987, and before January 1, 1988.

3502.3 Each telecommunication company shall be allowed a credit against the gross receipts tax imposed for the period for one-sixth (1/6) of the amount of personal property tax paid on the taxable year 1988 return due July 31, 1987.

SOURCE: Final Rulemaking published at 34 DCR 6143, 6150 (September 25, 1987).

3503 GROSS RECEIPTS TAX ON TELECOMMUNICATION COMPANIES: SEPTEMBER 1, 1987 - SEPTEMBER 30, 1987

3503.1 For the period beginning September 1, 1987, and ending September 30, 1987, the affidavit is due and the tax shall be paid by October 20, 1987.

3503.2 Each telecommunication company shall be allowed a credit against the gross receipts tax imposed for the period for one-twelfth (1/12) of the amount of personal property tax paid on the tax year 1988 return due by July 31, 1987.

SOURCE: Final Rulemaking published at 34 DCR 6143, 6150 (September 25, 1987).

3504 GROSS RECEIPTS TAX ON TELECOMMUNICATION COMPANIES: OCTOBER 1, 1987 AND SUCCEEDING MONTHS

3504.1 For each calendar month beginning after September 30, 1987, the affidavit is due and the tax payable by the twentieth (20th) day of the month following the calendar month for which the tax is due.

3504.2 Each telecommunication company shall be allowed a credit against the gross receipts tax imposed for the lesser of one of the following:

- (a) Nine-twelfth (9/12) of the amount of personal property tax paid with the tax year 1988 return due by July 31, 1987; or
- (b) Nine-twelfth (9/12) of the amount of personal property tax paid with the tax year 1988 return due by July 31, 1987, multiplied by the following fraction:

Column (1)		Column (2)		Column (3)		Column (4)
9/12 of 1988 District per- sonal property tax paid	X	Receipts on which District gross re- ceipts tax was paid for twelve months preceding July 1, 1987	X	Value of personal property everywhere July 1 of Column (1) tax year	=	Credit against Column (1) tax not to exceed limits of this section
		Gross receipts every- where for twelve months preceding July 1, 1987		Value of property sub- ject to District per- sonal property tax on July 1 of Column (1) tax year		

The following are examples of the application of §3504.2:

- (1) *The taxpayer has property valued at one hundred thousand dollars (\$100,000) subject to District personal property tax, and personal property everywhere of one million dollars (\$1,000,000) on July 1, 1987. The taxpayer's gross receipts everywhere for the twelve (12) month period ended June 30, 1987, are twelve million dollars (\$12,000,000), and receipts subject to District gross receipts tax under §3501 are one million dollars (\$1,000,000). District personal property tax paid for the 1988 tax year was three thousand one hundred dollars (\$3,100). The amount of the credit allowed on monthly gross return due November 20, 1987 shall be one thousand nine hundred thirty-eight dollars (\$1,938), computed as follows:*

3504.2 (Continued)

(1)	(2)	(3)	(4)
\$2,325	$\frac{\$1,000,000}{\$12,000,000}$	$X \frac{\$1,000,000}{\$100,000}$	= \$1,938

(2) Same facts as example (1) except that receipts subject to District gross receipts tax was one million four hundred thousand dollars (\$1,400,000). The allowable credit is two thousand three hundred twenty-five dollars (\$2,325), computed as follows because that amount is the lesser of:

(a) The result of the computation below; and

(b) Gross receipts taxes paid for the twelve (12) months preceding July 1, 1987.

(1)	(2)	(3)	(4)
\$2,325	$X \frac{\$1,400,000}{\$12,000,000}$	$X \frac{\$1,000,000}{\$100,000}$	= \$2,713

3504.3 As used in §3504.2, the term "value of personal property" shall mean, for both the numerator and denominator of the fraction, that amount carried on the taxpayer's balance sheet at original cost for the personal property shown in the fraction.

3504.4 The numerator and denominator of Column (3) property values shall include all property subject to the personal property tax under the provisions of the Personal Property Tax Amendment Act of 1986, effective February 28, 1987 (D.C. Law 6-212; D.C. Code §47-1521 *et seq.*) without regard for any exemption from the tax.

3504.5 The credit provided in this section shall reduce the tax due each month under this section until the credit, in the aggregate, has been exhausted.

SOURCE: Final Rulemaking published at 34 DCR 6143, 6150 (September 25, 1987).